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STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



THOMAS D. WATKINS, JR.
SUPERINTENDENT OF
PUBLIC INSTRUCTION

FOOD SERVICE

**ADMINISTRATIVE POLICY No. 8
SCHOOL YEAR 2002-2003**

Subject: Site Reviews of the National School Lunch Program Completed by the Office of Auditor General

Date: April 25, 2003

The Office of Auditor General recently reviewed the school lunch program in six school districts as part of a Performance Audit of the Michigan Department of Education, Office of School Support Services. Based on their review findings and recommendations, the following information is provided:

Free and Reduced Price Policy Statement

- Public media releases were not available in districts reviewed. Note: districts/schools are not required to pay for a legal ad, but copies of requests to media must be maintained on file.
- Letter or Notice to Households used by some of the districts included both the free and reduced income eligibility amounts. Note: federal regulations require that only the reduced price scale be used on the application.

Eligibility Certification

- Incomplete applications were approved (lack of parent signatures, social security numbers, lack of foster child income) and school approval was not indicated on the application. Please review all applications to ensure a complete and correct application is on file for each student approved for free/reduced price meals.
- Students received and schools reported free meals for students without applications on file. Meals claimed without approved applications on file are subject to overclaim of funds received and are considered ineligible meals.

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- Applications were provided in Spanish but subsequent follow up letters to families were not available in Spanish (i.e. original determination, notice of selection for verification, eligibility change notice letters).
- Some food service staff seemed to be unaware of how to identify a valid food stamp case number on applications. Numbers on approved applications did not contain the alpha/numeric food stamp number beginning and ending with a letter, for example: V9999999A.

Verification Process

- Use of focus sampling without the required analysis of non Food Stamp population or breakout of population into Food Stamp and non Food Stamp. Refer to the Eligibility Guidance for School Meals Manual for specific information regarding sampling.
- Not sampling from the entire population, but limiting to a few school buildings.
- Not sampling on the number of applications, but on the number of the student population.
- Verification efforts initiated before October 31 that were based on a projection of the total number of applications on file as of October 31 were not updated to ensure appropriate sample size was selected based on total applications approved as of October 31.
- In some cases incorrect biweekly or weekly factors were used to compute monthly wages. Refer to the Eligibility Guidance for School Meals Manual for correct factors.
- Failure to verify all income listed on the application.
- Utilizing year to date statements, such as W-2, SSI annual statement, or YTD figure on wage statements, instead of evidence of current monthly income.
- Wage statements lacking the name of the employer, name of recipient, or Social Security number to relate it to the application.
- Not including overtime in wage calculations or obtaining assurance that the overtime was not representative of the household.
- Using net pay and checking account direct deposits statements instead of gross pay for income calculation.
- No follow up on “no income” applications at the end of the temporary approval period (45 days).
- Failure to update rosters based on verification resulting in claiming ineligible student meals.

Counting and Claiming

- Student counts being done at the entrance point to the cafeteria or counts being done in the middle of the line, making it more difficult to assure students obtained all the components necessary for a reimbursable meal.

Menu Documentation

- Production reports different from the posted menu; Leftover food section not completed on production records. (Refer to A Menu Planner for Healthy School Meals. Meal items must be documented and comply with program requirements; tracking the source of leftover items is an important part of menu planning.)

Please review your School Lunch Program for similar problems and make the necessary corrections. The Eligibility Guidance for School Meals Manual contains the appropriate procedures to follow for the processing of applications and the verification of eligibility. This document is located on the USDA Child Nutrition Program website at <http://www.fns.usda.gov/cnd> (click on the heading National School Lunch Program, then Free and Reduced Price, then Free and Reduced Price, then Free and Reduced Price Application Process, then Eligibility Guidance for School Meals). A Menu Planner for Healthy School Meals is another resource that can be used for information on Reimbursable Meals and Menu Documentation. This resource is also located on the web at <http://www.fns.usda.gov/cnd> (click on the heading National School Lunch, then Menu Planning, then Menu Planner for Healthy School Meals).

Please call our office at 517/373-3347 if you have any questions about the items identified.